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VEHICLE SERVICES



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LAWS-REGULATIONS

for

VEHICLE DEALERS

This booklet will help Illinois citizens understand the requirements to be a vehicle dealer in Illinois. It also details the regulations pertaining to dealerships that are enforced by the Secretary of State's office.

The regulations are intended to ensure that vehicle dealers operate in a professional and businesslike manner.

JIM EDGAR
Secretary of State

DEALERS' ESTABLISHED PLACE OF BUSINESS

- (a) Each person seeking to be or already duly licensed as a new or used vehicle dealer under the Illinois Vehicle Code (I.V.C.) (Ill. Rev. Stat. 1987, ch. 95½, par. 1-1 *et seq.*) shall maintain an established place of business which shall, in addition to those requirements in Section 5-100 of the I.V.C., meet the following requirements:
- (1) Have office facilities in a building for maintaining and keeping books and records as are required. The office facilities shall be permanently mounted on a fixed foundation and may not include a trailer with axle attached and still moveable. It may include, however, an office trailer or house trailer in a licensed mobile home park or dealership lot with tires removed and utilities attached.
 - (2) Be properly and permanently equipped with the necessary office equipment and machines, and documents and papers adequate to properly conduct business as a dealer and must be within a permanent building or structure as required in subsection (a)(1) above.
 - (3) Be equipped with an operating telephone for inbound and outbound calls and have the business telephone number published in the telephone directory generally available in the dealership area, and adequately equipped with operating electric lights.
 - (4) Have the name of the dealership posted on the front entrance door.
 - (5) Have posted on the front entrance door a sign setting forth the days and regular and reasonable hours when open for business. A dealership shall not be deemed as being open for business unless at least one employee, who is able to conduct regular business, is on the premises and available to the public and the dealership must be operated consistent with general dealer practices. The dealership must be open for business at least five (5) days out of each seven (7) days in a week, and a minimum

of four (4) hours consecutive per day. However, dealers who operate their dealerships less than 12 months shall state in the license application those months in which the dealership is closed and shall not be required to maintain regular business hours during the period of closure. The months of closure shall also be posted in a prominent place for the public to see in the dealership office.

(6) Maintain a lot, being the area not occupied by a building, which shall be surfaced with rock or better surface material, and which shall be properly illuminated, if open after sundown, so that vehicles for sale can be properly inspected by any prospective customer.

(A) The lot used for sale of vehicles shall be separate and apart from any other business. In addition, where a dealer is selling both new and used cars, the new cars shall be parked separately and apart from used cars.

(B) The above lot requirement shall not be applicable where the place of business has an indoor showroom, properly illuminated, for the display of vehicles held for sale.

(C) The separate lot requirement specified in subsection (a)(6)(A) above shall not prohibit the operation by the dealer of other businesses on the same premises, which shall include the lot, provided that the businesses are reasonably related to the sale or operation of new or used automobiles, provided further that the sale of new or used automobiles shall constitute at least 50 percent of the gross revenues of the licensed dealer, and the sale of automobiles shall be the primary business of the licensed dealer. No business defined as reasonably related to the sale of automobiles under this Section shall exceed 50 percent of the gross revenue of the business entities using the lot. Businesses reasonably related to the sale or operation of automobiles shall include only the sale of automobile parts and accessories, the sale of gasoline, diesel fuel, oil and lubri-

cant, the sale of automobile tires, the leasing of automobiles, insuring automobiles and the financing of automobiles sold by the licensed dealers engaged in these businesses. Licensed dealers engaged in operating businesses other than those stated herein shall remove such businesses or modify them to comply with this rule within 60 days of notification by the Secretary of State, or be subject to the revocation or suspension of their dealers license.

- (7) *Dealership in a Department Store* — Where a dealer maintains a place of business within a department store, the dealership shall be separated from other operations within the department store.
- (8) *Sign* — Display a permanent sign bearing the name of the dealership which shall be properly illuminated if open after sundown and which shall be visible from the highway leading to the established place of business.
- (9) Display a federally required pricing document on all new motor vehicles held for sale.
- (10) If the premises are leased, such lease must be for at least the duration of the current licensed period.

(b) Supplemental Lots

An Illinois licensed dealer may operate as an additional place of business a permanent supplemental lot which will meet all the requirements of subsections (a)(1) through (a)(10) of this Section, except the records required to be kept shall be maintained at the principal place of business of the dealership, as defined by Section 1-164 of the Illinois Vehicle Code (Ill. Rev. Stat. 1987, ch. 95½, par. 1-164), unless the supplemental lot is more than one mile from the main dealerships. The one mile shall be measured by the most direct road between the dealership and the supplemental lot.

- (1) A licensed dealer shall apply for the supplemental lot authorization when he/she files the application required by Sections 5-101 or 5-102 of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code (Ill. Rev. Stat. 1987, ch. 95½, par. 5-101 and 5-102) or he/she may file an application to add a supplemental lot during the

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license period.

- (2) The fee for a license to operate a supplemental lot is \$25 or \$12.50 as provided in Sections 5-101(b)(7) and 5-102(b)(5) of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code [Ill. Rev. Stat. 1987, ch. 95½, par. 5-101(b)(7) and 5-102(b)(5)].
- (3) No vehicle sales at supplemental lots shall be allowed on Sundays except as provided for in Section 5-106 of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code (Ill. Rev. Stat. 1987, ch. 95½, par. 5-106).

(c) **Trade Showing or Exhibition**

An Illinois licensed dealer may operate as an additional place of business an exhibition area in a trade show or exhibition, provided:

- (1) The licensed dealer has a currently valid new or used vehicle dealer license issued by the Secretary of State.
- (2) The licensed dealer has provided the Secretary of State with a copy of the written contract with the agency or person or other entity sponsoring, creating or supervising the trade show or exhibition for which application is made, or a letter from the show sponsor stating the duration of the trade show or exhibition, and an application for the trade show or exhibition supplemental license containing the name of the dealership, its license number, the location and dates of the trade shows or exhibitions, and signed by the licensed dealer.
- (3) A permit for an additional location granted for a trade show or exhibition shall in no event be valid for more than thirty (30) days from the date of the first day of the trade show or exhibition for which it is granted.
- (4) The requirements of subsections (a)(1) through (a)(7) of this Section shall not be required in granting to a licensed dealer a permit for an additional place of business in a trade show or exhibition, where the requirements are inapplicable to the trade show or exhibition.
- (5) No permit granted for an additional location in a trade show or exhibition may be transferred or removed to another location.

- (6) The fee for a permit to operate in a trade show or exhibition shall be \$10.00 per permit.
- (7) Regardless of the dates of the trade show or exhibition, no vehicle sales will be allowed on Sundays except as provided for in Section 5-106 of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code (Ill. Rev. Stat. 1987, ch. 95½, par. 5-106).
- (d) Each person seeking to be or already duly licensed as a scrap processor, automobile parts recycler, rebuilder, repairer or out of state salvage buyer under the I.V.C. shall maintain an established place of business which shall meet the requirements contained in subsection (a) above, except that no lot as set forth in subsection (a)(6) above is required. However, if open after sundown, the premises shall be adequately illuminated so that prospective purchasers may inspect the items held for sale.
- (e) None of the requirements of this Section shall apply to the place of business of a vehicle auctioneer licensed under Chapter 5, Article VII of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code (Ill. Rev. Stat. 1987, ch. 95½, par. 5-700 *et seq.*).

Amended: Aug. 15, 1988

Rule 1010.240

DEALER PLATES

1. Special Plates issued to a Dealer may be displayed upon any vehicle held for sale or resale, and
 - (a) Upon any such vehicle for any legal purpose including pick-up at the point of manufacture or assembly, demonstrating, testing or for delivery to the buyer.
 - (b) On any such vehicle loaned, but not rented, as a "loaner" to a customer for temporary use the days that his car is being serviced or repaired.

Amended: P. 21-5, Nov. 1, 1971

 - (c) On one truck up to 8,000 pounds owned by the dealer and used to haul his parts incidental to the operation of his business.

2. Special plates issued to a dealer may not be displayed:
- (a) Upon any vehicle rented to another person.
 - (b) Upon any vehicle of the second division carrying cargo or merchandise except as provided herein.
 - (c) Upon any work or service vehicle.
 - (d) In any for-hire movement.
 - (e) On any vehicle used permanently as a personal vehicle and not as a demonstrator, such prohibited uses being defined as follows:
 - A. On any vehicle used by any person enrolled at and attending an educational institution during the school term or year and to and from school.

Amended: P. 21-6, Nov. 1, 1971
 - B. On any vehicle used on vacation trips to areas outside the geographic scope of normal business for a period in excess of 25 days.
 - C. On any vehicle used by any person who is a member of the armed forces and stationed at any military base or encampment or installation.
 - D. On any vehicle used continuously for 25 or more days as a personal vehicle by any person not an agent, servant or employee of the dealer owning such special plate.

3. Dealer Plates and One-Trip Use

Notwithstanding the above limitations, Dealer Plates may be used on a one-trip demonstration basis by a prospective bona fide buyer and carrying cargo or merchandise, providing that the form of document specified herein is carried in the cab of the vehicle. Any demonstration movement shall be limited to a period of 3 days.

Amended: P. 21-7, Nov. 1, 1971

Each dealer who wishes to grant to a prospective bona fide buyer the use of a dealer plate on a one-trip demonstration for three days shall prepare a document identical to this form in duplicate, and

- 1. Retain one copy in the offices of the dealer.
- 2. Issue one copy to the user for display on the vehicle.

FORM REQUIRED

(Date)

1. Name of Dealer:
2. Address of Dealer:
3. Dealer Plate or plates being used:
4. Name of prospective buyer:
5. Date use is to begin and end:

Each dealer shall file an annual report listing the name of each prospective buyer permitted to make a demonstration trip with a vehicle identifying the plate number utilized and the dates that the demonstration trip began and ended. The Secretary of State may prescribe the form of such report.

Amended: P. 21-8, Nov. 1, 1971

The Secretary of State may, in addition, grant in his discretion, a permit for a one-trip demonstration in excess of 3 days upon application therefor and showing of good cause.

Amended: P. 21-9, Nov. 1, 1971

Rule 1010.250

DEALER PLATE RECORDS

The dealer ledger book shall also contain a record of the assignment of dealer plates to employees of the dealer and a written record of the persons to whom the dealer has sold drive-away decal permits.

Amended: P. 22, Dec. 15, 1970

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